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5-20-2013

# Lucky for Life Independent Accountants' Report on Appling Agreed-upon Procedures, 2013

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### Recommended Citation

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## LUCKY FOR LIFE INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Maine State Lottery Commissioners and the Management of the Maine State Lottery:

We have performed the procedures enumerated below, which were agreed to by the Maine State Lottery (MSL) and the other party lotteries in the states of Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont (referred to as the Party Lotteries) who operate Lucky for Life, solely to assist the Maine State Lottery and the Party Lotteries with respect to the evaluation of the MSL's sales and prize expense for the period of April 1, 2012 to March 31, 2013 associated with Lucky for Life. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures to be performed are as follows:

- a. Verify the mathematical accuracy of the "Draw Activity Report" and the "Set Prize Analysis" for the period of April 1, 2012 to March 31, 2013 obtained from the MSL. Attach those as Exhibits I and II, respectively.

Result: We verified the mathematical accuracy of the schedules and noted no exceptions.

- b. Randomly select five draw dates for testing and perform procedures "c", "d", and "e" below. The selected draws are listed below and have been bolded on Exhibit I.

June 21, 2012  
October 8, 2012  
February 18, 2013  
March 4, 2013  
March 25, 2013

- c. For each draw date selected in step "b" above, compare the total amount of sales as shown on the daily sales report produced by the MSL's gaming system and the total amount of sales shown on the related daily sales report produced by Internal Control System, with the balance listed in the "sales" column for the respective draw date on the "Draw Activity Report" attached as Exhibit I.

Result: We compared the amount of sales and found them to be in agreement.

- d. Recalculate the total dollar amount of the set prizes for the draw dates selected in step "b" above, based on the total number of winners from the MSL's gaming system for each prize level and the prize structure of the Lucky for Life set prizes (as defined in the official game rules obtained from the MSL). Compare the recalculated expense with the amount listed in the "Actual Set Prizes" column for the respective draw date on the "Draw Activity Report" attached as Exhibit I.

Result: We recalculated and compared the prize expenses and found them to be in agreement.

- e. For each draw date selected in step “b” above, compare the amount of sales, actual set prizes, and share of set prizes shown on the “Draw Activity Report” attached as Exhibit I to the amounts shown on the applicable Lucky for Life Prize Settlement Reports obtained from MSL.

Result: We compared the amount of sales, actual set prizes and the share of set prizes and found them to be in agreement.

- f. Review the “Expired Unclaimed Prizes” for the period of April 1, 2012 to March 31, 2013. In accordance with the official game rules, winning Lucky for Life tickets purchased in Maine may be redeemed in Maine for one year from the date of the drawing. The Lucky for Life game began in March 2012 therefore there should only be “Expired Unclaimed Prizes” in the month of March 2013.

Result: We reviewed and compared the Computer Gaming System data to the Game Administrator and determined that “Expired Unclaimed Prizes” were properly reported.

- g. Compare the amounts shown as the total of the actual set prizes and the total of the share of set prizes on the “Draw Activity Report” attached as Exhibit I to the applicable amounts shown on the “Set Prize Analysis” report attached as Exhibit II.

Result: We compared the total actual set prizes and the total share of set prizes and found them to be in agreement.

- h. Determine if the “Draw Activity Report” attached as Exhibit I indicated there were top prizes awarded by the MSL during the time period of April 1, 2012 to March 31, 2013.

Result: There were no top prizes awarded by the MSL during the time period under review.

- i. Determine through inquiry of management and review of expenses if there were transfers to the Game Administrator for settlement of the fixed prize liability during the time period of April 1, 2012 to March 31, 2013.

Result: There were no transfers to the Game Administrator for settlement of the fixed prize liability during the time period under review.

- j. Compare the balance listed as the MSL receivable as of March 31, 2013 for the set prizes as shown on the “Set Prize Analysis” report attached as Exhibit II to the MSL’s financial accounting records and to the Lucky for Life Prize Settlement Report as of March 31, 2013, as agreed to by the Party Lotteries.

Result: We compared the MSL receivable to the financial accounting records and the Prize Settlement Report and found them to be in agreement.

We were not engaged to conduct an examination, the objective of which would be the expression of an opinion on the financial information associated with the MSL’s sales and prize expense for Lucky for Life for the time period of April 1, 2012 to March 31, 2013. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the MSL and Party Lotteries, and is not intended to be and should not be, used by anyone other than these specific parties.



Pola A. Buckley, CPA, CISA  
State Auditor  
State of Maine, Department of Audit

Augusta, Maine  
May 20, 2013